



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
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Don Knabe
Michael D. Antonovich
Commissioners

October 08, 2013

The Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

2-H October 8, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVE LOAN AGREEMENT WITH HOME OWNERSHIP FOR PERSONAL EMPOWERMENT
FOR THE PROPERTY LOCATED AT 1770 XIMENO AVENUE UNIT #201 IN THE CITY OF LONG
BEACH
(DISTRICT 4) (3 VOTE)**

SUBJECT

This letter requests that your Board approve a loan agreement between the Housing Authority and Home Ownership for Personal Empowerment for the property located at 1770 Ximeno Avenue #201 in the City of Long Beach. Approval of this action will preserve the affordability of one housing unit for the developmentally disabled.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Executive Director, or his designee, to negotiate, execute, amend, and if required, terminate a Loan Agreement and all related documents with Home Ownership for Personal Empowerment (Borrower), in an amount up to \$73,208 in Condominium Conversion funds from the Fourth Supervisorial District, for the property located at 1770 Ximeno Avenue #201 in the City of Long Beach.
2. Authorize the Executive Director or his designee to terminate all existing agreements between the Housing Authority and the Borrower pertaining to the property at 16136 Cornuta Avenue #A in the City of Bellflower.
3. Find that entering into the Loan Agreement and related documents is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these actions is to authorize the Housing Authority to enter into a Loan Agreement with the Borrower which will allow the Borrower to obtain a loan not to exceed \$73,208 in Condominium Conversion funds from the Fourth Supervisorial District. These actions will preserve affordable housing for developmentally disabled persons.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

A maximum of \$73,208 in Condominium Conversion funds from the Fourth Supervisorial District will be used to fund this loan.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 1999, the Housing Authority provided \$92,500 in City of Industry Funds to the Borrower to acquire and rehabilitate the property at 16136 Cornuta Avenue #A in the City of Bellflower. The property was used to provide housing to low-income developmentally disabled individuals.

The Borrower has sold the Cornuta Avenue property after identifying a more suitable site to meet the needs of their developmentally disabled tenants, and is committed to continuing to provide affordable housing for the developmentally disabled community. They have repaid the outstanding City of Industry loan balance of \$73,208; however, the Borrower's affordability obligations tied to the Industry loan remain. In order to fulfill these affordability term requirements, the Borrower is entering into a loan agreement with the Housing Authority to purchase another property.

The Borrower has identified a replacement property at 1770 Ximeno Avenue #201 in the City of Long Beach, which will also be used to provide affordable housing for developmentally disabled individuals. The City of Industry program required assisted sites to be located within a 15-mile radius of the City of Industry. Because the replacement property is outside of the 15-mile radius, the City of Industry funds that were used to assist the property in Bellflower cannot be transferred to the replacement property.

The Borrower has requested to carry the original financing from the property in Bellflower to the replacement site in Long Beach. This requires the replacement of City of Industry funds with Condominium Conversion funds.

Condominium Conversion Funds are available countywide for uses associated with the development of housing for low-income households. Chapter 8.48.090 of the Condominium Conversion Ordinance requires that a covenant be executed, restricting the affordability of units to a minimum of 20 years; this requirement is met under the Housing Authority's Promissory Note and secured by a Deed of Trust for funds under the Loan Agreement, which outlines an affordability period of 45 years.

ENVIRONMENTAL DOCUMENTATION

This action is not subject to the provisions of CEQA pursuant to the State CEQA Guidelines 15060(c) (3) and 15378 because it is not defined as a project under CEQA and does not have the potential for

The Honorable Board of Supervisors

10/8/2013

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causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Loan Agreement will allow the exchange of City of Industry for Condominium Conversion funds and preserve affordable housing for developmentally disabled persons.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:CC:cr